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Bangladesh unwinds first flood insurance product

The first-ever flood insurance scheme was launched in the country on Tuesday, aiming to compensate flood victims and help them fight natural disasters, reports UNB.

Disaster Management and Relief Minister AH Mahmood Ali formally introduced the flood insurance 'product' at a programme at Brac Centre Inn in the capital.

Oxfam Bangladesh organised the programme, titled 'Launching Ceremony on Index Based Flood Insurance Product Piloting in Sirajganj, Bangladesh'.

Oxfam Bangladesh has initiated the pilot project to design a commercially pragmatic catastrophic flood insurance scheme for the poor and vulnerable, targeted to sensitise meso-level investors who are working in flood-prone areas.

Poor and vulnerable people in the river basin areas of Sirajganj district come under an index-based flood insurance scheme to enhance the disaster risk reduction programmes in the flood-prone regions.

With a feature of fast payout to the flood-hit people, the index insurance product will cover 1,661 poor families of 14 villages located in

Sirajganj Sadar and Chowhali upzilas of the district on a pilot basis.

The scheme aims to provide cash relief of up to Tk 8,000 per household in event of catastrophic flood. Mobile money transfer will also be introduced soon to transfer the money to the beneficiaries even faster.

Earlier, a collaborative design and research study has been embarked by Oxfam and the India-based Center for Insurance and Risk Management (CIRM) for developing a meso-level catastrophic flood insurance scheme in Bangladesh.

The Institute of Water Modelling (IWM) of Bangladesh has built a flood hazard model used to generate flood data. The Swiss Development Corporation (SDC) will finance the project.

Initiated by Oxfam, the CIRM Advisory Services (India), IWM, Pragati Insurance Ltd. (Bangladesh), Swiss Re, Manab Mukti Sangstha and Palli Karma Sahayak Foundation will jointly implement the project.

Addressing the launching ceremony, AH Mahmood Ali said: "With this very innovative initiative, poor and vul-

nerable people of Sirajganj district, who are the regular victims of flood, will feel more secured. Such kind of initiative helps the government address the disaster risk reduction."

He urged all to scale up this effort to cover the whole Bangladesh to help the flood victims minimise the losses and damages caused by flood.

Snehal Soneji, country director for Oxfam in Bangladesh, said Bangladesh is a flood-prone country, which is one of primary reasons for widespread poverty, despite the remarkable economic progress the government has made.

"Index-based flood insurance is aimed at designing a commercially viable catastrophic flood insurance scheme for the poor and vulnerable."

He said Oxfam is now piloting it in Sirajganj, with a hope to spread it across the country with the support of government, national and international organisations.

Sardar Shah Newaz, director of Flood Division at IWM, made a power-point presentation on flood hazard model while Rupalee Ruchismita, executive director of CIRM,

delivered the keynote paper on index-based flood insurance product at the programme.

Managing Director of Pragati Insurance Ltd Manirul Islam, director of Manab Mukti Sangstha M Habibullah Bahar and Oxfam GB Bangladesh's Economic and Private Sector coordinator M Norul Amin, among others, spoke at the function.

Representatives from government bodies, national and international organisations, media and community level were present at the event.